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COVER NOTE

From:	Council General Secretariat
To:	Delegations
Subject:	Principles of good governance in sport

Delegations will find attached the Principles of good governance in sport prepared by the Expert Group "Good Governance".[1]

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[1] The Council established six Member States and the Commission expert groups, including the expert group on good governance, under the EU Work Plan for Sport for 2011-2014 (OJ C 162/1, 1.6.2011).

Expert Group "Good Governance"

Deliverable 2

Principles of good governance in sport

September 2013

INTRODUCTION

At the third meeting of the Expert Group on Good Governance (XG GG), held on 6 June 2012, the members and observers of the Group discussed the issue of good governance principles in sport on the basis of a document presenting national rules and codes existing in the EU Member States. Participants agreed that some overarching principles of good governance can be identified across the board, but that it is important to maintain flexibility and to have a pragmatic approach, with a view to taking into account the vast differences existing in sporting structures and to focus on recommendations that can bring an added value at EU level.

A discussion document was subsequently prepared and discussed by the Group's members and observers at the XG GG meeting on 13 December 2012. The document presented an initial list of recommendations concerning good governance principles that should guide the action of sports organisations of different sizes and nature across the EU. The following list of good governance principles is based on the document presented at that meeting and it incorporates changes and amendments proposed by members and observers during the discussion.

At the meeting in December 2012, the Group agreed to postpone the adoption of deliverable 2 until mid-2013, in order to take into account the results of the projects in the field of good governance financed through the 2011 Preparatory Actions in the field of sport. Results from these projects do indeed usefully complement the list of recommendations by providing evidence-based facts and data and by identifying examples of good practices in this field. Input from the projects has been included as an annex to the list of good governance principles.

BACKGROUND/CONTEXT

Sport has evolved dramatically in the last 20 years. At the elite level there has been a transformation in the commercialisation of sport. Major sporting events attract millions of viewers, hundreds of thousands of spectators and generate significant revenues. Sponsorship and merchandising activity has also grown exponentially.

Media interest in sport has risen to new highs and the recent emergence of social media networks means sport is now subject to a greater and swifter level of scrutiny and public interest than ever before.

Elite sporting competition, lifestyle adjustments and other initiatives have helped to fuel interest in grassroots participation in sports in Europe. An increasing number of people want to be involved in sport at all levels and in different capacities. This has led to more interest and intervention from national governments in sporting matters and the activities of sports bodies including verification of whether sports bodies are fit for public funding.

Globalisation, increased cross border activity, the need to comply with international federations' regulations and operating within an uncertain legal framework have all challenged the sports movement in Europe. In particular, the need to comply with an evolving and increasingly complex

body of national and EU laws has made the development and implementation of sports regulatory policy more challenging.

There is now a greater interest (and expectation) across the stakeholders of sport to participate in the future direction and policy making activities of sports governing bodies (hereinafter: **sporting bodies**) and to have their views heard and appropriately reflected in the decisions of those bodies. In this context members/participants are acting more like consumers and becoming more demanding.

Shifting demographics and societal changes within Europe and beyond require sporting bodies to consider whether existing inclusivity policies, diversity strategies and levels of representation across all groups remain appropriate and reflective of their participants and society in general. A particular issue in this regard is the access of women to leadership positions in sports organisations within the context of the wider debate on gender in Europe and at international level.

As public interest in sport has increased and the financial stakes have risen there has been a growth in the propensity of participants at all levels to pursue legal claims requiring sports bodies to adopt effective risk management practices and insurance protocols to minimise legal and financial exposure.

The integrity of sport has been subject to significant challenge over recent years, inter alia given the growth of sports betting. Match-fixing, corruption and other criminal activities have arisen in different sports in various territories across Europe and beyond. Such activities have highlighted the vulnerability of sport to match fixing and other corrupt practices. Sporting bodies are no longer able to deal with the threat and challenges to sporting integrity alone. The assistance of regulators, national governments and law enforcement agencies with their additional powers and investigative authority is needed by sports bodies to allow them to tackle the threat of match fixing and other corrupt activities, as well as appropriately structured relationships with betting operators on areas such as bet types.

Increasingly, sports bodies must seek to form partnerships, engage in dialogue and co-operate with governments, European institutions and other state agencies in a range of areas and such public authorities may be more inclined to link public funding to minimum standards of good governance, particularly in relation to financial subsidies and the deployment of public money by sports bodies.

The autonomy of sports bodies is now more susceptible than ever before. Interventions from the courts, national governments or regulators, commercial interests or European institutions are more likely. Indeed, in its 2011 Communication "Developing the European Dimension in Sport" the European Commission developed its position beyond that of previous comments confirming good governance is a condition for the autonomy and self-regulation of sports organisations.

Owing to the positive values sport embodies, sporting bodies in many EU Member States and at EU level receive significant public funding. In relation to the use of such funds the application of good governance principles can play an important role. In short, sports bodies that do not have in place good governance procedures and practices can expect their autonomy and self-regulatory practices to be curtailed.

In identifying good practice in the context of good governance for sports bodies it is important to be pragmatic, flexible and proportionate. Many different sports bodies have considered issues of good governance in their own unique context. However, this initial set of recommendations seeks to outline top level principles covering the whole sport movement (as opposed to only major governing bodies or event owners), address professional and amateur sport, embrace team sports and individual disciplines, assist large and small sports bodies and not deter volunteers from taking part in sport.

In general, it is possible to identify three main categories of sports organisations which can be defined as recipients of the recommendations outlined hereafter:

1. The first category includes grassroots sport organisations. Grassroots sport covers all sport disciplines practiced by non-professionals; individuals who spend most of their time practising sport or who earn most of their income through sport are therefore excluded from this category. Grassroots sport bodies have specific characteristics that need to be taken into account when addressing the issue of good governance, namely their reliance on volunteers (in cooperation with limited paid staff) and their focus on participation.
2. The second category includes national sports governing bodies and national umbrella sports organisations. These are the bodies responsible for the organisation of sport throughout all the layers of a single discipline (from grassroots to the elite) at national level. They are in charge of setting and enforcing rules within a given territory and to oversee that those rules are applied consistently under their jurisdiction. They are part of European (continental) and international federations.
3. The third category includes European and international federations. These bodies have a special role to play in the field of sport. International federations usually set the rules of the game and are in charge of organising major international tournaments. European federations organise continental competitions and are responsible for the organisation of sport within their area. This double role of international bodies implies that the standards of good governance applicable to them should be higher than those at lower levels of the sporting pyramid. Some national governing bodies and some organisers of sports events should also respond to higher governance standards, on grounds of the commercial nature of their activities and of the diversity of stakeholders involved in the events.

A flexible approach is proposed based on a set of minimum standards that can be applied universally but which can be supplemented as appropriate depending on risk, resource and other relevant factors relating to the sports body concerned.

These recommendations are a first step in the process. Further input is provided by the EU-funded projects that have come to an end and produced their results bymid-2013. Projects' results are included in the annex to the list of principles.

The XG GG is expected to adopt the following list of principles and to transmit it to the Council Working Party on Sport who will decide on the appropriate political follow-up.

PRINCIPLES FOR THE GOOD GOVERNANCE OF SPORT IN THE EU

DEFINITION OF GOOD GOVERNANCE

For the purposes of its recommendations, the Expert Group 'Good Governance' adopts the following definition of good governance in sport:

The framework and culture within which a sports body sets policy, delivers its strategic objectives, engages with stakeholders, monitors performance, evaluates and manages risk and reports to its constituents on its activities and progress including the delivery of effective, sustainable and proportionate sports policy and regulation.

This definition of good governance can be satisfied by the appropriate application of the principles set out below.

With reference to the following list of principles, it is important to underline that good governance essentially comprises a set of standards and operational practices leading to the effective regulation of sport. Therefore, whilst good governance must be distinguished from specific sports regulations, the application of good governance principles should facilitate the development and implementation of more effective sports regulation. Not all sporting regulations are part of good governance; however, the way sport is regulated is deeply affected by the governance of each discipline at both national and international level.

The sports movement and sports bodies are responsible for and should continue to build on the steps already taken to promote and support good governance at all levels. Higher-level sporting bodies (e.g. European and international federations) in particular should, where appropriate, support their (national or regional) member organisations in establishing and maintaining appropriate standards of good governance for the sports body concerned.

The following standards of good governance are applicable to all organisations throughout the spectrum of sport. However, higher standards are expected from professional elite sport, on grounds of its economic and social role. Sport is the source of large societal expectations, ranging from the fight against racism and violence, sustainable development, fight against discrimination and protection of children and young people. Sport organisations are better equipped to fulfil their social role when they abide by the standards of good governance that are included in the following list which should also contribute to tackling these wider societal challenges when they arise in a sporting context.

ROLE OF THE EU

Whilst sport is by definition a global phenomenon and good governance principles are not intrinsically linked to any particular territory, the European Union, for its particular role and mission, can provide guidance for the good governance of sport at national, European and international level.

For instance, the EU is an organisation based on values and on the rule of law which it has the task to promote. This includes the following:

- Decision making systems based on separation of powers between the legislative, executive and judiciary bodies;
- Public procurement based on the principles of impartiality, transparency and equal opportunities;
- Recognition of social dialogue and of the role of social partners in the fields of labour law and employment.

In addition, the EU is uniquely positioned to facilitate the exchanges of good practices, transfers of knowledge and the networking of stakeholders active at national and international level. In this respect, the EU institutions have a role to play in ensuring that good governance principles adopted at EU level are recognised and implemented in all the Member States. The EU can also facilitate the promotion of principles of good governance in sport beyond its borders with both sporting bodies and public authorities of third countries.

1. CLARITY OF PURPOSE/OBJECTIVES

a) Role, function and objectives

Absolute clarity on the proper role, function, responsibilities and objectives of sports bodies is a critical first step to good governance. It is not possible to establish the appropriate governance arrangements for a sport body if there is no clarity of purpose.

- The precise role, function and objectives of each sports body should be clearly set out in its foundation and constitutional documents and incorporated into the vision, strategic plan and communication protocols adopted by the sports body concerned.

b) Goals and principles

The particular objectives of sports bodies will vary, and may be influenced by international federation requirements as well as local, regional or national factors. Generic objectives are likely to include expanding participation, promoting development initiatives and improving sporting infrastructure.

- All sports bodies should, in any event, formally commit to the fight against doping and discrimination, the maintenance of sporting integrity and the adoption of ethical practices.

c) Vision and strategic plan

- Sports bodies should, wherever practicable, look to adopt and publish a vision and strategic plan aligned to their long term objectives and reflecting evolving short term priorities.

This approach aids planning and may assist in removing short term and reactive sports governance practice. It will also promote accountability and transparency.

d) Consensual strategy

- Sports bodies should seek to develop their strategic plans and priorities (including proposed regulatory adjustments) in a consensual way and ensure that such plans are endorsed by the relevant decision making bodies within the organisation. Once approved such strategic plans should be circulated to all members, stakeholders and participants and preferably made public.

e) Monitoring and oversight

- Sports bodies should seek to implement an appropriate level of monitoring and oversight to verify progress of the strategic plan against measurable key performance benchmarks to ensure value for money is being achieved from their investments and that the plan is working effectively.

2. CODE OF ETHICS

a) Development of a code of ethics

- Sports bodies should develop a code of ethics binding on all members, stakeholder, participants, staff and volunteers. It should embrace a range of ethical practices and inform the conduct and culture of the organisation as a whole by instilling values of integrity, equity and transparency and an appreciation of acceptable conduct.

b) Basic rules on the content and enforcement of the code

- The terms should be agreed across the sports body so that it reflects the views of all levels of the organisation. The code should incorporate the general ethical values of the sports body, but also address specific areas of risk for example by making express provision for the disclosure and registration of gifts and/or acceptance of hospitality and setting suitable financial limits. The Code should incorporate an effective implementation and enforcement protocol and be subject to regular review.

3. STAKEHOLDER IDENTIFICATION AND ROLES

a) Involvement of stakeholders

Each sports body will have different stakeholders reflecting its particular range of participants and interested parties. Such stakeholders may include players/athletes, managers, owners, coaches, leagues, clubs, supporters, agents, match officials. Sports bodies should also as appropriate liaise with commercial partners and equipment manufacturers.

- Each sports body should evaluate how best to utilise the input and expertise of its stakeholders in its activities, consultation processes and decision making procedures. Stakeholders may be given different levels of involvement depending on the sports body concerned.

b) Minimum standards for stakeholders' representation

- Sports bodies should establish minimum representation and democratic standards that stakeholders should meet in order to participate in consultation and/or decision making.

c) Commitment from stakeholders

- A commitment from relevant stakeholders should also be sought confirming that they support the overall objectives and vision of the sports body concerned and will make decisions and generally act in the best interests of the sport, without prejudice to the definition of labour relations between social partners through social dialogue.

d) Formalisation of role of stakeholders

Clarity on the role of members, stakeholders and participants in consultation processes and decision making is critical. The formalisation of roles promotes accountability and should assist in minimising the prospects of any party exceeding their powers, avoiding consultation on key decisions, duplicating resources and/or generating tensions associated with unbalanced policy or decision making.

- The respective roles, responsibilities and objectives of sports bodies and their stakeholders should be collectively acknowledged and codified within its statutes.

In this way, a sporting body can have greater confidence in producing fair, credible, affordable, and proportionate sports policy and regulation which is more likely to be accepted and complied with across the sport concerned.

4. DEMOCRACYAND MINIMUM STANDARDS

a) Clear organisational framework

- Sports bodies should establish a clear organisational framework for membership and decision making via appropriately representative, inclusive and competently populated bodies implementing fit for purpose, democratic procedures and acting in pursuance of the objectives, strategic plan and vision of the sports body concerned.

b) Identification of decision making organs

- The organisational framework should identify all decision making organs of the sports body and their interrelationship. The statutes of sports bodies should clearly set out the various responsibilities and decision making authority of the different organs including, where applicable, congress (council or general assembly), the executive body or board, technical or standing committees and disciplinary/judicial bodies.

c) Identification of procedural rules

- For all decision making organs, sports bodies should clearly identify procedural rules and the rights of members/stakeholders to participate in consultations, debates and/or decision making processes.

d) Role and rights of members and stakeholders

- Ordinarily, the constitution of a sports body should include details of the entitlement of relevant members, stakeholders and participants to vote at meetings, majorities required for particular decisions, regularity of meetings, the right to receive notice of meetings, order of business under consideration, and the opportunity to make representations. Once established, there should be strict compliance with the constitution and procedural rules.

e) Minimum democratic principles for appointment to decision making bodies

Within Europe there are many different types of democratic system in operation and it is not practicable to be prescriptive over the adoption of any particular democratic process. In key decision making areas all relevant personnel should be involved as determined by the sports body.

However, whilst an appropriate degree of flexibility is needed to allow sports bodies to apply a suitable and proportionate democratic structure, based on its particular needs and resources, whatever system of democracy is adopted or appointment practices implemented there are some minimum good practice principles that should be respected by all sports bodies when identifying their processes and appointing personnel to their sovereign decision making bodies. These include the following:

1) A commitment and requirement to hold free, fair and regular elections;
2) Ensuring that broad stakeholder consultation and/or representation exists;
3) A requirement to hold regular meetings to fulfil allocated responsibilities and functions;
4) Clarity over the role and powers of the President or Chairperson and Board Members;
5) The enforcement of a code of conduct or by-law which includes an express obligation for decision makers to:

    i. Adopt the highest ethical practices;
    ii. Act independently in the interests of the sports body as a whole;
    iii. Not make decisions in which they have a business or personal interest;
    iv. To declare conflicts of interest.

6) Ensuring that the appropriate level of inclusivity, diversity and sports representation is achieved and maintained across decision making bodies;
7) Adopting fixed terms of office to allow regular refreshing of decision making bodies.
8) Utilising a credible and suitably transparent basis and process for voting.
9) Where appropriate making public the decisions reached

The above checks and balances and procedural safeguards may need to be re-enforced and/or supplemented for major decisions of a sporting, financial or commercial nature. For instance the awarding of major event hosting rights and changes to fundamental governance structures may be regarded as so significant in terms of the wider consequences and direction of a sport that a higher level of accountability and transparency is justified.

5. DELEGATION AND COMMITTEES

Clarity of responsibilities for the different organs that make decisions within a sports body is critical to promoting the efficiency of policy development and effective governance.

a) Delegation of tasks to members and stakeholders

- Appropriate delegations of tasks to members and stakeholders should be permitted subject to a proportionate level of monitoring and supervision by the sports body and provided always that such members or stakeholders possess the relevant expertise to fulfil the delegated responsibility and, if applicable, that they possess a mandate for the stakeholder group they represent.

b) Appointment of technical and/or expert committees

- Sporting bodies should allow for the appointment of technical or expert committees (whether standing or ad hoc) and/or working groups for specialist work and advice on relevant issues.

The terms of reference, reporting lines and status of committee decisions or recommendations should be clearly identified and communicated to all members, stakeholders and participants.

c) Composition of committees

- Appropriate selection policies should be in place for committees or working groups to ensure that suitable experts are appointed and there is a balance of views, gender equality and diversity.

6. <u>MANAGEMENT</u>

In most sports bodies, the board constitutes the executive organ providing a supervisory and monitoring role over the day to day activities and management of the organisation. The board therefore represents an essential component of good governance in sport. The successful implementation and acceptance of good governance in a sporting body is influenced by whether and how well the board and the management embrace good governance. The board and management should seek to promote a culture of good governance throughout the entire organisation, for example by conducting appropriate training and qualification measures, among other things.

Important requirements for a board to be effective are as follows:

a) Requirements for the board

1) The governing documents (including committee structures) must be fit for purpose, available at all times to members and other stakeholders.

2) The chairperson should possess strong leadership skills.

3) Decision making powers should be clearly identified along with delegated responsibilities and authorisations granted by the board.

4) Board members should act independently in the best interests of the sports body as a whole and in accordance with their legal and fiduciary duties.

5) Where proportionate and justified, an appropriate number of The board should be independent and appointed via open procedures.

6) The board must promote equality and diversity and actively work to attract a diverse range of members, including, in particular but not limited to, an appropriate gender balance at board level as part of an overall inclusivity programme.

7) Board members must have the necessary attributes, skills and competence required to carry out the role effectively with skills being regularly assessed and performance evaluated.

8) Appropriate term limits for board members should be in place as part of succession planning processes.

9) A board must not be too large or small and must hold an appropriate number of meetings to reflect the needs of the sports body.

10) The board should have an appropriate policy on conflict of interest declarations and management.

11) There should be a clear policy and process for the removal of board members for misconduct.

It is important that the relationship between the board and management of a sports body is well structured including regular engagement, oversight policies and the setting of key performance indicators for managers. This is an integral part of the overall strategic operation of the sports body with management and staff implementing policies determined by the board or sovereign body of the organisation. In this regard the CEO or General Secretary has a critical role to play in promoting staff and management performance that is in accordance with board expectations and can deliver the strategic plan of the sports body and its longer term objectives.

7. JUDICIAL/DISCIPLINARY PROCEDURES

a) Need for an appropriate judicial/disciplinary framework

- Sports bodies should put in place a suitable judicial/disciplinary framework that meets their particular needs (and any requirements of its international sporting family). The framework should be proportionate to the size, membership and type of cases on which it is required to adjudicate.

b) Need for a separate judicial/disciplinary code

- It is preferable for a separate judicial/disciplinary code to be developed incorporating clear disciplinary rules, sanctions and procedures. Members, stakeholders and all participants should agree to be bound by the code and the sanctions imposed.

Members, stakeholders and participants should, where practicable, be educated on key rules and obligations under the code so they are aware of what is expected of them and the consequences of non-compliance. Interactive web-based initiatives can be used for this purpose.

c) Impartiality of adjudicators

- Adjudicators should be impartial.

- Sports bodies should monitor legal requirements in this regard as well as any minimum standards imposed by their international, national or regional bodies.

To mitigate risk of challenge appropriate codes of practice can be developed for judicial personnel providing guidance on when it may not be appropriate for them to sit in judgement.

d) Skills and expertise of adjudicators

- Adjudicators must possess the necessary skills and expertise to evaluate evidence, assess credibility of witnesses and make reasoned decisions.

To aid transparency it is preferable if adjudications are supported by written reasons and where possible made public. Training in disciplinary procedures, the application of rules and production of written reasons should where possible be undertaken by adjudicators.

e) Fair trial

- Basic procedures to ensure the right of the defence should be established in accordance with general principles of law.

f) Appropriate appeal framework

- An appropriate appeal framework should be put in place by sports bodies.

This supports overall due process and provides a further layer of risk management as erroneous decisions can be rectified.

Where appropriate, a sports body may also consider appointing an ombudsperson.

Where legal challenges to the decisions of governing bodies in national state courts are likely a sports body may also consider, subject to applicable national and EU laws, adopting a suitable binding internal arbitration mechanism. Such alternative dispute mechanisms should deliver swift, cost effective, expert sports specific resolutions.

8. INCLUSIVITY AND YOUTH ENGAGEMENT

a) Inclusivity of sports bodies

- Sports bodies should be inclusive and represent the diverse nature of society and their sports whether by reference to gender, race, sexuality, disability, age or otherwise. By selecting from the widest possible talent pool for all positions and at all levels the most skilled, experienced performers can be identified and engaged by sports bodies.

b) Adoption and implementation of an inclusivity strategy

- Having appropriate regard to applicable laws, sports bodies should develop and implement robustly an inclusivity strategy incorporating recruitment, selection and appointment procedures. This strategy should be monitored and steps taken to identify how any issues of under representation can be suitably addressed at all levels of the organisation.

c) Engagement with youth groups

- The long term viability of sport and sports bodies depends on future generations of participants being attracted to sport as competitors, match officials, volunteers and administrators. In developing sports policy and promotional initiatives it is good practice for sports bodies to engage and consult with representative youth groups as a form of future proofing for the sport to minimise generational disconnects. For example, establishing Youth Boards respecting gender balance and diversity may assist in promoting engagement and succession planning. In this context, particular attention should be paid to the issue of protecting the physical and moral integrity of young sportspeople, notably against sexual harassment.

Sports bodies must also recognise that to attract new generations of administrators, technology and IT will play an important part. Increasingly mobile and remote video conferencing will need to be utilised for governance ,disciplinary and sports administrative activity and those sports bodies which embrace such technology are more likely to encourage ongoing participation in administrative and related matters by future generations. Technology will also be crucial in attracting and retaining volunteers.

9. STATUTES, RULES AND REGULATIONS

a) Availability of statutes, rules and regulations

- The statutes, rules and regulations of sports bodies should be available as public documents, be clearly drafted and identify the process for amendment.

b) Consultation for amending statutes, rules and regulations

- When amendments to statutes, rules, regulations or key policies are being contemplated an appropriate and proportionate consultation process should be put in place with relevant members and stakeholders within a suitable timeframe. Wherever possible the rationale for any adjustment should be available along with supporting evidence. It should also be made clear which particular objective and part of the strategic plan is being advanced by the proposal so that fully informed decisions can be taken.

In addition to representing best practice it is notable that the process adopted by sports bodies and the consultation undertaken in such scenarios is assuming increasing importance in legal challenges to sports rules/regulations both nationally and at European level. Accordingly, an inclusive, evidence based consultative approach to regulatory change also represents effective risk management.

To promote transparency and accountability the web sites of a sports bodies is an ideal place to set out statues, rules, regulations, vision, strategic plan and other policy positions as well as information concerning proposed adjustments. The web-site can also be used as a means for consultation with members, stakeholders and where appropriate other groups.

10. ACCOUNTABILITY AND TRANSPARENCY

a) Establishment of accountability standards / Checks and balances

- Sports bodies should establish clear levels of oversight and accountability for their various decision making bodies to ensure that powers are exercised appropriately and consistently with the objectives and functions of the relevant body. Proportionate checks and balances should be developed by the sports body concerned.

b) Performance indicators

- Key performance indicators and evaluation procedures commensurate with the size of the sports body should be set at all levels of the organisation to promote efficiency and good management.

c) Internal control measures

- Sports bodies should adopt proportionate, fit for purpose internal controls, reporting requirements, data protection policies and financial management strategies to at least the level required by applicable laws. Such policies should include clear financial authorisation limits and formalisation of agreements in legally enforceable form.

d) Financial information

- Financial information (produced in accordance with applicable laws and subject to appropriate auditing standards) should be made available to members, stakeholders and the public wherever possible. All such financial information should be clearly presented and preferably form part of an annual report of the activities of the sports body.

e) Distribution of funds

- If the sports body makes financial distributions to members and/or stakeholders such distributions should be documented and made subject to appropriate terms and conditions and on-going reporting requirements to the distributing body on the ultimate deployment of such funds.

f) Risk management

- Sports bodies should adopt effective and proportionate risk management arrangements designed to identify, assess, control, manage and mitigate risk across all of their activities. This should include evaluating the optimum legal form for the sports body and/or its members to operate under and putting in place appropriate insurance arrangements.

g) Confidentiality

- Sports bodies should develop appropriate confidentiality protocols and codes which are capable of rigorous enforcement. They should also have clear policies on who may speak with the media and in what circumstances. Where possible sports bodies should develop rapid, crisis response protocols to be deployed in specific scenarios.

h) External and internal communication

- In addition to developing transparent external communication policies, effective and transparent internal communications for staff, members, volunteers and stakeholders should be developed so they are aware of important developments, events, meetings, policy changes and opportunities.

i) Professional development of staff and volunteers

- Continuing professional development for all personnel and volunteers within sports bodies should be promoted wherever possible along with clear guidelines for staff conduct.

IMPLEMENTATION OF THE PRINCIPLES

As a result of the significant changes that have occurred in the sports sector, the existing contractual and regulatory powers of sports bodies are no longer sufficient to address all challenges related to the governance of sport. Increasingly, it will be the case that sporting bodies, governments and pan European institutions will have to co-operate and develop effective working relationships recognising their respective competencies.

Where required, sporting bodies and governments should look to consult and co-ordinate activities in a positive and constructive way and seek to develop a culture of trust and good governance based on education, identification of best practice and building complementary relationships whilst

appropriately respecting the autonomy of sport. For instance, in the areas such as match fixing and doping, sporting bodies should continue to develop and apply relevant rules, codes of conduct and educational programmes for its participants and take other steps to minimise the prospect of misconduct by adopting sound financial management principles whilst governments should ensure that relevant laws are fit for purpose and the resources exist that enable law enforcement bodies to take appropriate action when required.

Consistent with this culture it is important that good governance principles are embraced voluntarily by sports bodies in the wider interest of promoting effective sporting regulation and development. Enforcement by national governments or European institutions via contract and/or funding conditions might have the potential to compromise the autonomy of sports bodies and create tensions in the wider international sporting framework.

Autonomous self-regulation by the sport movement remains the best option and is consistent with the structure of the international sport movement. All parties should have an interest in ensuring effective governance structures are in place as this is more likely to result in better sports policy and minimise disputes or challenges both from within a sport or outside.

The role of the EU should consist in encouraging compliance with the agreed principles and rules.

It is proposed that for the implementation and monitoring at EU level of the principles laid down in this document, funding available under the Sport Chapter of the 'Erasmus +' programme be made available to projects covering different EU countries. Organisations taking part in those projects should carry out activities to inform and educate relevant stakeholders about the existence and nature of the agreed principles.

In addition, monitoring and benchmarking activities could be undertaken to ensure that the principles receive the necessary attention and are correctly implemented at all levels by sporting organisations across the EU.

It also proposed to assess how the implementation of the principles progress over a period of years in order to give the time to relevant parties to inform their members and adapt structures and behaviours according to the standards included in this document. This assessment may also consider the way in which the governance practices of sports bodies at different levels interlink.

After this period of adaptation, if the application of good governance principles is considered as being not satisfactory, it may be appropriate to evaluate other alternatives such as the so-called 'comply or explain' principle or whether other measures such as applying the conditionality of EU and/or national funding subject to respect for the agreed good governance principles may need to be contemplated.

ANNEX I

List of best practices identified by the projects in the field of good governance supported by the 2011 Preparatory Action in the field of Sport

Project name: Improving Football Governance through Supporter Involvement and Community Ownership		
Grassroots level	**National sporting body**	**European or international sporting body**
• Supporters in Germany and Sweden (where member ownership is enshrined) were 24% more likely to be members of a democratic supporters' group; • Fans in Sweden and Germany were 25% more likely to be satisfied or very satisfied with the running of football at their club.	• Project partners SFSU helped organise a series of votes at the AGMs of member owned clubs stated unequivocally that the 50+1 rule should be retained.). The result: an overwhelming vote at the country's Sports Confederation in favour of Swedish football clubs continuing to be owned and controlled by their members. • As part of the project, 45 meetings were held with other supporters groups – showing how this kind of funding can help develop cross-European dialogue and networking.	• Significant added value generated by partners shows that investment in volunteers can be a catalyst; • Supporters' groups need assistance in maintaining and developing individual capacity, and Europe-wide networks.

Project name: European Rugby League Governance Foundation Project
Democracy and minimum standards
Rugby league has tended to suffer from numerous National Governing Body schisms over the years. The major reason for this has been the lack of robust articles and therefore a sense of dissatisfaction from new members who, rightly, question any clear representation or pluralism at work in the NGB. The RLEF Governance Foundation Project was designed to reinforce the practice of using our members' articles as a living document through which they run their organisation. A number of our members begin life as small, volunteer-driven organisations, often officered by a socially connected group, a dynamic which often allows initial early progress but, as the organisation grows and people external to that original social group become participants, is stressed through an absence of clear governing protocols. To encourage the day-to-day use of their constitutions, all participating NGBs re-assessed their articles and in some cases re-drafted them in line with national legislation. A good example is the Federazione Italiana Rugby League, which wrote 10 drafts of its constitution, engaged with the Italian Olympic Committee (CONI) to ensure state compliance and as a result has attracted new clubs and participants and, as an organisation, completely transformed its appreciation for the absolute need for good governance. All of the sections listed in DEMOCRACY AND MINIMUM STANDARDS are relevant to the FIRL experience.
Accountability and transparency
The RLEF, through working on the GFP, has also introduced federation-wide practices aimed at (a) expanding the competences of its members and (b) progressing their own internal management as they seek to become more independent, in line with the RLEF 2010-17 strategy. One of the key developments in this area focused on member finances. We identified inadequate financial reporting as one major area of deficiency and in 2012 introduced the federation-wide Financial Accounts Model, an integrated system of (i) budget, (ii) management accounts, (iii) balance sheet designed by our finance department. This system has allowed the RLEF to assess the real financial position of its members while at the same time educating them on the key areas of concern, so they become more confident on fiscal matters. The FAM was distributed to all members in a package including the template excel form; a nine-page user guide; a sample version of FAM using an imaginary rugby league NGB; and an accompanying, four-page, step-by-step guide to that sample

version of FAM.

Project name: Sport for Good Governance (S4GG)

Best practice example: Dutch Olympic Committee (NOC*NSF)

The best practice example that the Sport for Good Governance Project has included in the educational toolkit is the one of the Dutch Olympic Committee (NOC*NSF). More than just a specific action or activity they have undertaken, it is more about the whole process they have gone through (already for 10 years). One of the conclusions of the project was definitely that a long-time engagement is necessary (a complete process) to create a change in mentality where good governance is no longer an additional burden, but part of the mind-set when governing a sports body. Important steps that the NOC*NSF have taken during their process:

- 2003: Inspiration by the private sector that started to discuss the topic of good governance.
- 2005: Adoption of the Code by the NOC*NSF ("13 recommendations for good governance in sport"). The main idea behind these 13 recommendations is the principle of "comply or explain". This initiative had the aim to encourage sport federations and to raise awareness.
- 2006: First evaluation of the situation. The conclusion was that the results were clearly not good enough.
- 2008: Decision to install minimum standards ("17 minimum requirements") on top of the 13 recommendations. The whole system still remained based on self-assessment.
- 2011: The minimum standards become mandatory for federations to be able to receive funding.

Nowadays: The NOC*NSF keeps engaging in the process and recognises that, although considerable progress has already been made, a lot of work remains to be done. The NOC*NSF also tries to actively support its member federations. They have for instance created an NOC*NSF-affiliated foundation "Sport & Business".

The educational toolkit "your key to good governance"

The main instrument that has been produced by the Sport for Good Governance project is the educational toolkit, called "your key to Good Governance".[2] The idea of this toolkit is to provide sport organisations with an instrument to on the one hand assess their performance and on the other hand to improve the situation. When creating this tool, the project team focused on practical elements and user-friendly instruments. A good example of this practical approach is the master presentation

[2] An online version of the toolkit can be found here: http://www.s4gg.eu/download-documents.

that provides an introductory presentation on good governance. This master presentation allows sport organisations that have never dealt with the topic as such to get a first impression, thereby raising awareness on certain key issues.

One of the key elements of the educational toolkit is the self-evaluation tool. This tool is comprised of a number of questions on key issues that have to be answered. The idea is that the person filling in the self-evaluation assesses the situation of the organisation. The combination of the results will be shown in a spider web diagram, which makes it clearly visible and comparable to the assessment of other persons within the organisations. In this regard, the self-evaluation tool can be seen as a common basis for further discussions within the organisation.

On the basis of the toolkit, training sessions have also been organised. The toolkit contains a draft for an executive workshop allowing a sport organisation to organise its own training session for the persons working within the organisation, but also for its members and member organisations.

Other observations

As part of the activities conducted in the framework of the S4GG project, different Codes of Good Governance have been collected and analysed. In general, it is clear that some organisations or public bodies (responsible for the sport sector) have adopted very good and strong codes. Examples are:

- Codes of the NOCs of France, Germany, Italy and Switzerland
- Australian Sports Commission: “Sports Governance Principles”
- Sport and Recreation Alliance (UK): “Voluntary Code of Good Governance for the sport and recreation sector”

However, the following aspects are in many situations missing to effectively implement these excellent codes:

- The Codes are not complemented by strategic plans for implementation. The focus is just on the principles.
- Practical implementation examples have not been added or have only been added in a number of cases.

In this regard, we have noticed that cooperation with external experts in the field of good governance is in many situations crucial. This cooperation should therefore be promoted. Two examples of this kind of expert organisations:

- Leadership Academy of the DOSB

NOC*NSF-affiliated foundation Sport & Business

N.B. It is acknowledged that given the scale and size of certain sports bodies at national level a higher standard may be required/expected more equivalent to a European or international sporting body (and vice versa)but that broadly this framework should be suitable to deal with the majority of sports bodies.

ANNEX II

List of facts and data and sources of information provided by the projects in the field of good governance supported by the 2011 Preparatory Action in the field of Sport

NB: Annex II is to eventually incorporate links to all of the final Project reports which will embody the facts and data on which their recommendations are based.

<table>
<tr><th colspan="3">Project name: Improving Football Governance through Supporter Involvement and Community Ownership</th></tr>
<tr><td>Grassroots level</td><td>National sporting body</td><td>European or international sporting body</td></tr>
<tr><td>• 12,000 respondents to surveys of European football supporters;
• 7% (club level) felt ‘very involved and have a role in decision making’;
• 39% were ‘almost completely ignored’ at club level and 73% felt the same way at national level;
• 10% were very satisfied with the running of their club and 2% with the running of football nationally;
• 72% were ‘very unsatisfied’ or ‘unsatisfied’ with the running of football nationally;
• 70% felt that increased supporter involvement would improve the running of football;
• 55% said that they</td><td>• As a key outcome of the project, national networks for democratic supporters’ organisations established in Italy and Republic of Ireland;
• In Spain and Portugal, the first ever dialogue between multiple supporters’ groups and football stakeholders took place;
• 93% of surveyed workshop attendees said they would become more involved in the governance of their club, 63.5% nationally</td><td>• The first ever lobby of the European Commission and Parliament by supporters’ groups was undertaken as part of the project, in November 2012;
• Partners involved 138 additional people working on the project, and delivered 120 extra days.</td></tr>
</table>

were interested in joining a supporters' organisation that worked to get or maintain ownership at their club.		

Project name: Good Governance in Grassroots Sport
Grassroots level
Best practices - TOOLS
Grassroots level/ International Sport organisation
• Guidelines for Good Governance in Grassroots Sport; http://www.isca-web.org/files/GGGS_WEB/Files/Guidelines_for_Good_Governance_in_Grassroots_Sport.pdf
TOPIC: LIST OF EXISTING TOOLKITS IN EUROPE:
• Associative management guide. French Olympic Committee (Emmanuel Bayle and Maurice Bruezk), 2005 (In French). • Resource guide in Governance and Sport. Hospitality, Leisure, Sport and Tourism Network, UK, 2007. • NGB Support Kit – Chapter One – Governance. The Irish Sports Council • Corporate Governance Checklist, The Irish Sports Council • Good practices and transparency in associations. ESSEC (business school), 2008 (In French) • Good governance – A code for the voluntary and community sector. Initiative of several English organisations, 2010 • Voluntary code of good governance for the sport and recreation sector. Sport and Recreation Alliance, 2011
TOPIC: LIST OF EXISTING TOOLKITS OUTSIDE EUROPE:
• Guide: "Nine steps to effective governance- Building high performance organizations. Second Edition", Sport and Recreative New Zealand, 2005

- Guide: "20 questions Directors of not-for-profit organizations should ask about governance", Chartered Accountants of Canada, 2006
- Booklet on "Grassroots governance: governance and the non-profit sector", Certified general accountants of Ontario, Canada, 2008
- Governance principles: a good practice guide, Australian Sports Commission, 2009
- Good governance tool kit, Vicsport, Australia, 2010

Project name: Sport for Good Governance (S4GG)

The Sport for Good Governance Project used the *Basic Universal Principles of Good Governance* of the International Olympic Committee (IOC) as the starting point.[3] Out of these seven general principles, the project team decided to focus on three:

- Structures, regulations and democratic process (principle 2)
- Highest level of competence, integrity and ethical standards (principle 3)
- Accountability, transparency and control (principle 4)

For the purpose of this annex, two activities are particularly worth mentioning. First, the idea was to check the implementation of the three selected principles by International, European and national sport federations (NFs) as well as National Olympic Committees (NOCs). An online questionnaire was used to gather information. The facts and data of the analysis of this questionnaire have been added in the first part of this annex.[4]

Furthermore, the S4GG Project also intends to help organisations with the implementation of good governance principles by producing an educational toolkit and organising training sessions. Besides interesting elements such as a master presentation and video testimonials, the toolkit also contained three parts which can be very useful for the second part of this annex: a self-evaluation test, a best practice example and a selection of good practice implementation examples.[5]

Facts and data

National sporting body	European or international sporting body

[3] http://www.olympic.org/Documents/Conferences_Forums_and_Events/2008_seminar_autonomy/Basic_Universal_Principles_of_Good_Governance.pdf
[4] The analysis of the questionnaire was conducted by the German Sport University Cologne. The report of this analysis can be found here: http://www.s4gg.eu/docs/Bericht_S4GG_121026.pdf.
[5] The Leadership Academy of the German Olympic Sports Confederation (DOSB) was responsible for the creation of the toolkit. An online version of the toolkit can be found here: http://www.s4gg.eu/download-documents.

Principle 1: "Structures, regulations and democratic process"	
This principle received the <u>highest score</u> of the three overall principles (NOCs: 82.17% and NSFs: 77.47%). <u>Particular strengths:</u> - Attributions of the respective bodies (NOCs: 17.67/20 and NFs: 17.08/20) - Decision-making (NOCs: 16.50/20 and NFs: 16.74/20) <u>Particular weaknesses:</u> - Election or renewal of office-bearers on a regular basis (NOCs: 15/20 and NFs: 13.47/20) - Decisions and appeals (NOCs: 12.23/20 and NFs: 12.27/20)	This principle received the <u>highest score</u> of the three overall principles (IFs: 84.86%). On average, IFs score considerably higher on all sub-indices under this principle compared to national sporting bodies. <u>Particular strengths:</u> - Governing bodies (IFs: 17.50/20) - Attributions of the respective bodies (IFs: 17.64/20) - Decision-making (IFs: 17.78/20) <u>Particular weaknesses:</u> - Election or renewal of office-bearers on a regular basis (IFs: 15/20)
Principle 2: "Highest level of competence, integrity and ethical standards"	
This principle received the <u>lowest score</u> of the three overall principles (NOCs: 69.52% and NFs: 65.12%). <u>Particular strengths:</u> - Appointments (NOCs: 17.06/20 and NFs: 16.10/20) - Code of ethics and ethical issues (NOCs: 15.53/20 and NFs: 15.76/20) <u>Particular weaknesses:</u> - Risk management (NOCs: 4.30/20 and NFs: 6.76/20) - Competence of the members of the executive body (only for NFs: 11.74/20)	This principle received the <u>lowest score</u> of the three overall principles (IFs: 67.47%). On average, IFs score slightly higher on most sub-indices under this principle compared to national sporting bodies. However, "code of ethics and ethical issues" is a clear exception. <u>Particular strengths:</u> - Appointments (IFs: 16.59/20) - Internal management, communication and coordination (IFs: 16.06/20) <u>Particular weaknesses:</u> - Risk management (IFs: 9.09/20) - Competence of the members of the executive body (IFs: 12.55/20) - Code of ethics and ethical issues (IFs: 13.18/20)
Principle 3: "Accountability, transparency and control"	
This principle received a <u>rather high score</u>, comparable to the score of the first principle. (NOCs: 80.86% and NSFs: 75.27%).	This principle received a <u>rather high score</u>, comparable to the score of the first principle. (IFs: 78.96%). To compare the IFs with national sporting bodies, we need to make the differentiation between NOCs and NFs.

<u>Particular strengths:</u> - Accountability (NOCs: 15.20/20 and NFs: 14.47/20) - Financial matters (NOCs: 16.01/20 and NFs: 14.72/20) <u>Particular weaknesses:</u> - Processes and mechanism (NOCs: 9.72/20 and NFs: 10.51/20) - Transparency and communication (NOCs: 12.80/20 and NFs: 11.50/20) - Internal control system (NOCs: 11.67/20 and NFs: 12.05/20)	NFs score slightly lower on most sub-indices compared to IFs, but the difference is less profound than with the other principles. NOCs on the contrary score even higher than IFs on average. <u>Particular strengths:</u> - Accountability (IFs: 16.29/20) - Financial matters (IFs: 15.91/20) <u>Particular weaknesses:</u> - Processes and mechanism (IFs: 10.98/20) - Transparency and communication (IFs: 13.33/20) - Internal control system (IFs: 10.23/20)

Project name: Action for Good Governance in International Sport Organisations

Data collected from the 35 international Olympic sport federations

Accountability

Funding, distributed among members

	n	~ %
Members receive funding		
Yes	18	51%
No/ unknown	17	49%
For 18 SGBs known to distribute funding:		
Objective criteria for funding?		
Yes	2	11%
No	16	89%
Distributed funds available through website?		
Yes	3	17%

Partly	3	17%
No	12	67%

Role of the congress in the election of president and executive body

	n	**~ %**
Does congress elect governing council?		
yes	23	66%
partly	9	26%
no	3	9%
Does congress elect president?		
Yes	35	100%

Frequency of congress meetings

	n	**~ %**
Frequency of congress meetings		
every four years	2	6%
every two years	15	43%
Once	17	49%
Unknown	1	3%

Presence of financial and audit committees

	n	**~ %**
Presence of financial committee		
Yes	11	31
No	24	69
Presence of audit committee		
Yes	12	34

No	23	66

Checks and balances

Ethics committees

	n	~ %
Presence of code of ethics		
Yes	17	49
No	18	51
Presence of ethics committee		
Yes	12	34
No	23	66
Independent ethics committee		
Yes	3	9
No	9	26
Ex officio investigations		
Yes	1	3
No	9	26
Unclear	2	6

Participation

Stakeholder representation

	n	~ %
Stakeholder representation		
Yes	28	80%

No	7	20%
Decision making power for stakeholders		
Representative athletes commission has a seat on the board	4	11%
None	28	80%
Undisclosed	3	9%
Categories of represented stakeholders		
Athletes	28	80%
Referees	2	6%
Coaches	4	11%
Clubs	1	3%
Judges	1	3%
Media	1	3%
Veterinarians	1	3%
Existing stakeholder committees		
Athletes	24	69%
Coaches	4	11%
Events	2	6%
Clubs	1	3%
Referee	1	3%
Media	1	3%
Marketing and TV	1	3%

Term limits

Age and term limits within the SGBs

Age limit	n	%
Yes	6	17%
No	29	83%
Average age limit: 73 years		

Term limit		
Yes	8	23%
No	27	77%

Figures on tenures for sport governing body presidents

Organisation	Year founded	Number of former presidents	Average years in office for former presidents	Current presidency
FIL	1957	1	37	1994-
WTF	1975	1	29	2004-
FIS	1924	3	25	1998-
IAAF	1912	4	22	1999-
FIVB	1947	3	22	2012-
FIBT	1923	4	22	2010-
ITU	1989	1	19	2008-
FISA	1892	5	19	1989-
FILA	1905	5	19	2002-
AIBA	1920	5	17	2006-
FIG	1881	7	16	1996-
ITTF	1926	5	15	1999-
ISSF	1907	5	15	1980-
IHF	1946	4	14	2000-
UCI	1900	8	13	2005-

FIFA	1904	7	13	1998-
UIPM	1948	4	11	1993-
ISU	1892	9	11	1994
ISAF	1907	6[9]	11	2012-
IWF	1905	10	10	2000-
WA (FITA)	1931	8	9	2005-
IJF	1951	9	8	2007-
ICF	1924	10	8	2008-
FIH	1924	10	8	2008-
IIHF	1908	12	7	1994-
FIE	1913	14	7	2008-
FIBA	1932	11	7	2010-
FEI	1921	12	7	2006-
FINA	1913	16	6	2009-
WCF	1966	9	5	2010-
BWF	1934	17	4	2005-
ITF	1913	28[10]	2	1999-
IRB	1886	-	-	2008-
IGF	1958	-	-	-
IBU	1993	-	-	1993-
Average		**8**	**14**	

Equity

Number of members on the executive bodies per region

	n	~ %
Executive body members		

Africa	33	8%
Asia	75	18%
Europe	191	47%
NaCaCa	58	14%
Oceania	22	5%
South America	26	6%

Number of presidents and secretary generals per region

	n	**~ %**
Number of presidents		
Africa	2	6%
Asia	4	11%
Europe	25	71%
NaCaCa	2	6%
Oceania	0	0%
South America	2	6%
	n	**~ %**
Number of secretaries general		
Africa	1	3%
Asia	2	6%
Europe	26	74%
NaCaCa	6	17%
Oceania	0	0%
South America	0	0%

Female presidents and secretaries general

	n	~ %
Female president		
Yes	3	9%
No	32	91%
Female secretary general		
Yes	4	11%
No	31	89%

Female inclusion

	n	~ %
Female representatives		
Yes	20	57%
No	15	43%
More than one female representative		
Yes	12	34%
No	23	66%